Communications-Electronics Life Cycle Management Command

TEAM C4ISR

APBI

Mr. Edward G. Elgart

Director, Acquisition Center

31 May 2007

Legislative Update

H.R. 1585: National Defense Authorization Bill for FY 2008

- **17 MAY 2007**: House overwhelmingly passed the Bill (397-27).
  - 38 contracting related sections included.
  - Title VIII: Acquisition Policy, Acquisition Management and Related Matters.
- **Section 811. Change to the Truth in Negotiations Act (TINA) Exception for the Acquisition of a Commercial Item.**
  - Would permit the Government to obtain cost or pricing data if:
    - The commercial sales data provided to the Contracting Officer (KO) is insufficient to determine a fair and reasonable price for a commercial item; and
    - The contractor's business segment has submitted certified cost or pricing data in connection with at least one contract award or contract modification.
  - Reasoning:
    - Number of instances where KOs have been unable to determine a fair and reasonable price for a sole source commercial item because:
      - There were no commercial sales of a similar quantity or
      - Contractor unwilling to provide the commercial sales data.

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- **Section 806. Lead Systems Integrators.**
  - Would prohibit the use of lead systems integrators.
    - A “lead systems integrator” is defined as a prime contractor for the development or production of a major system, if the prime contractor is not expected to perform a substantial portion of the work on the system and the major subsystems; or
    - A prime contractor under a contract for the procurement of services the primary purpose of which is to perform acquisition functions closely associated with inherently governmental functions with respect to the development or production of a major system.
    - A “major system” means a combination of elements that will function together to produce the capabilities required to fulfill a mission need. The elements may include hardware, equipment, software or any combination thereof, but excludes construction or other improvements to real property.
  - The Department of Defense may not award any new contracts for lead systems integrator functions in the acquisition of major systems.
    - Effective October 1, 2011.

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- **Section 806. Lead Systems Integrators (cont).**
  - Exception for Contracts for Other Management Services- The Department of Defense may continue to award contracts for the procurement of services the primary purpose of which is to perform acquisition support functions with respect to the development or production of a major system, if the following conditions are met:
    - (1) The contractor may not perform inherently governmental functions, as may be prescribed by the Secretary of Defense.
    - (2) A prime contractor for such a contract may not award a subcontract to an entity owned in whole or in part by the prime contractor.

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- **Section 821. Limitation on Length of Noncompetitive Contracts.**
  - Would require the Federal Acquisition Regulation to be revised to restrict the contract period of any contract in an amount greater than $1,000,000 entered into by an executive agency using other than competitive procedures to the minimum contract period necessary--
    - (1) to meet the urgent and compelling requirements of the work to be performed under the contract; and
    - (2) to enter into another contract for the required goods or services through the use of competitive procedures.
  - Would require that contract period to not exceed one year
    - Exception: Unless the head of the executive agency concerned determines that the Government would be seriously injured by the limitation on the contract period.

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- **Section 822. Maximizing Fixed-Price Procurement Contracts.**
  - Would require heads of agencies that spend more than $1 billion on federal contracts annually, or in the case of the Department of Defense (DoD), the Under Secretary for Acquisition, Technology, and Logistics, to
    - Develop and implement a plan to maximize the use of fixed-priced procurement contracts;
  - Would require the Government Accountability Office to review such plans and present an analysis to Congress within 18 months.

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- **Section 823. Public Disclosure of Justification and Approval Documents for Noncompetitive Contracts.**
  - Would require public disclosure of justification and approval documents for noncompetitive contracts within 14 days after award.
- **Section 824. Disclosure of Government Contractor Audit Findings.**
  - Would require agencies to report to Congress on any audits that identify contractor costs in excess of $10 million as unjustified, unsupported, questioned, or unreasonable, or that identify material deficiencies in contractor performance *on a quarterly basis*.
  - Would require unredacted copies of any individual audit finding such costs to be submitted to Congress *upon request.*

H.R. 1873: Small Business Fairness in Contracting Bill

- **10 MAY 2007**: The house passed the Small Business Fairness in Contracting Act (H.R. 1873) by a vote of 409 to 13.
- Makes tougher the practice of "contract bundling."
- Seeks to increase small business contracts to 30 percent of federal contract dollars.
  - Up from the previous goal of 23 percent.
- The SBA would be required to negotiate contracting goals with government agencies each year, with the 30 percent goal being the minimum.
- Enhances the appeals process for small businesses.
  - The Office of Federal Procurement Policy within the Office of Management and Budget would arbitrate disputes between the SBA and the purchasing government agency.
  - Businesses and trade organizations negatively impacted by government agency contracting decisions will also be allowed to appeal on behalf of small businesses.

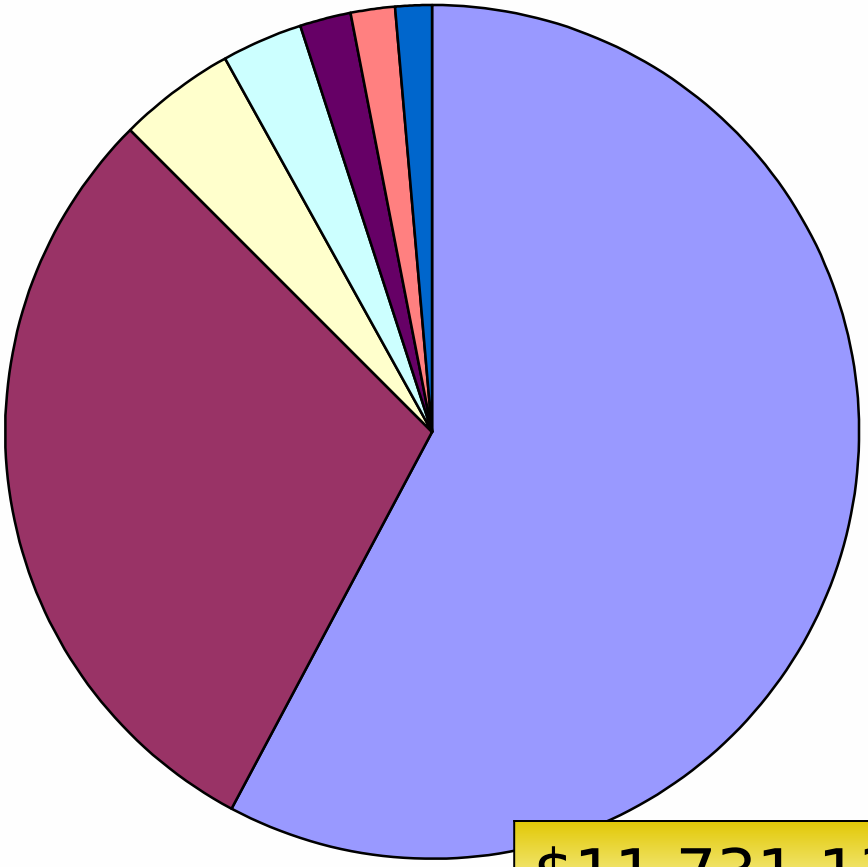
H.R. 1873: Small Business Fairness in Contracting Bill (cont)

- Would require certain small businesses to annually recertify their eligibility for small business contracts.
- Directs the SBA Administrator to:
  - Develop and maintain a database to help small businesses market to large corporations that have fallen short of small business goals.
  - Contact registered small businesses regarding the likelihood of federal contracting opportunities.
  - Prescribe regulations governing SBA review of subcontracting plans.
  - Ensure that whenever a small business loses a protest over its size, a notification is placed adjacent to the listing for that business in the Central Contractor Registry ("flag" the contractor).
  - Ensure a biannual review of the CCR to purge businesses from it no longer deemed small.
- **11 May 2007**: Moved to the Senate for consideration.

Contracting Statistics

FY06 OBLIGATIONS BY CONTRACT VEHICLE

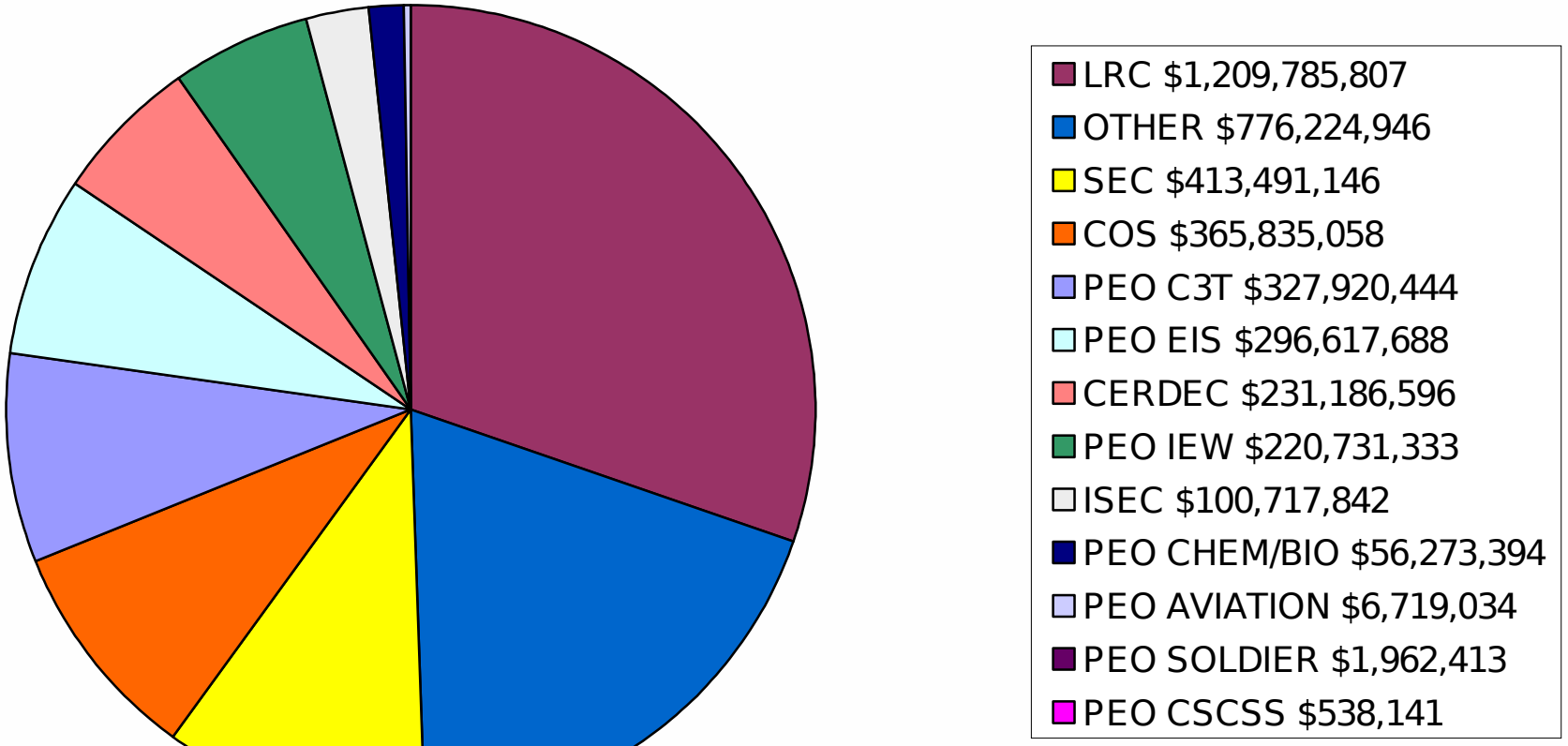
SERVICES, R&D & SUPPLIES
(Includes Ft. Monmouth, Base Ops, CAC-S & CAC-W)



$11,731,136,819

FY 06 OBLIGATIONS FOR SERVICES (BY MANAGER)

(Includes Ft. Monmouth, Base Ops, CAC-S & CAC-W)



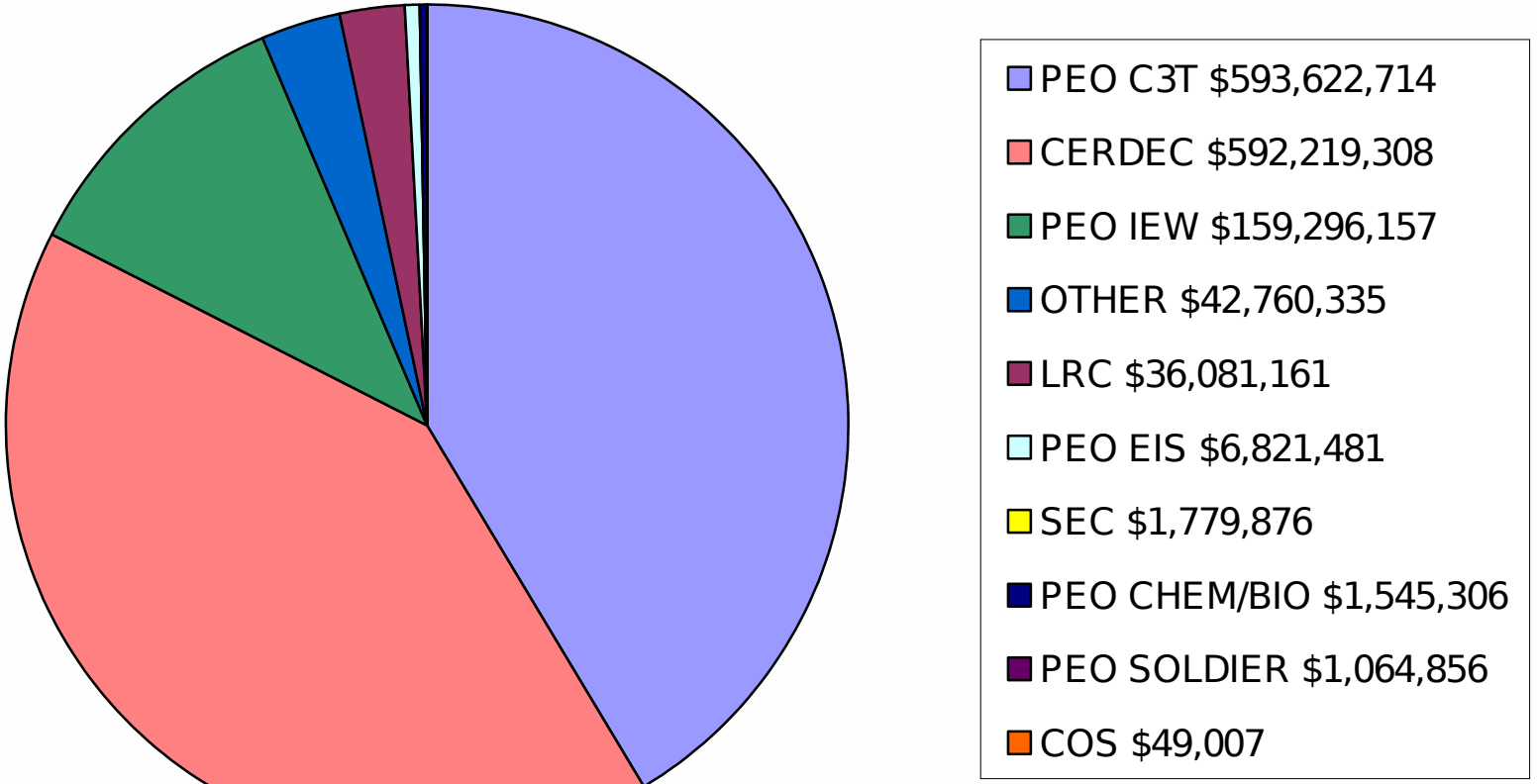
$4,008,003,842

PEO-EIS — CECOM — PEO-C3T — PEO-IEW&S — CERDEC

COMMUNICATIONS-ELECTRONICS LIFECYCLE MANAGEMENT COMMAND

FY 06 OBLIGATIONS FOR R&D (BY MANAGER)

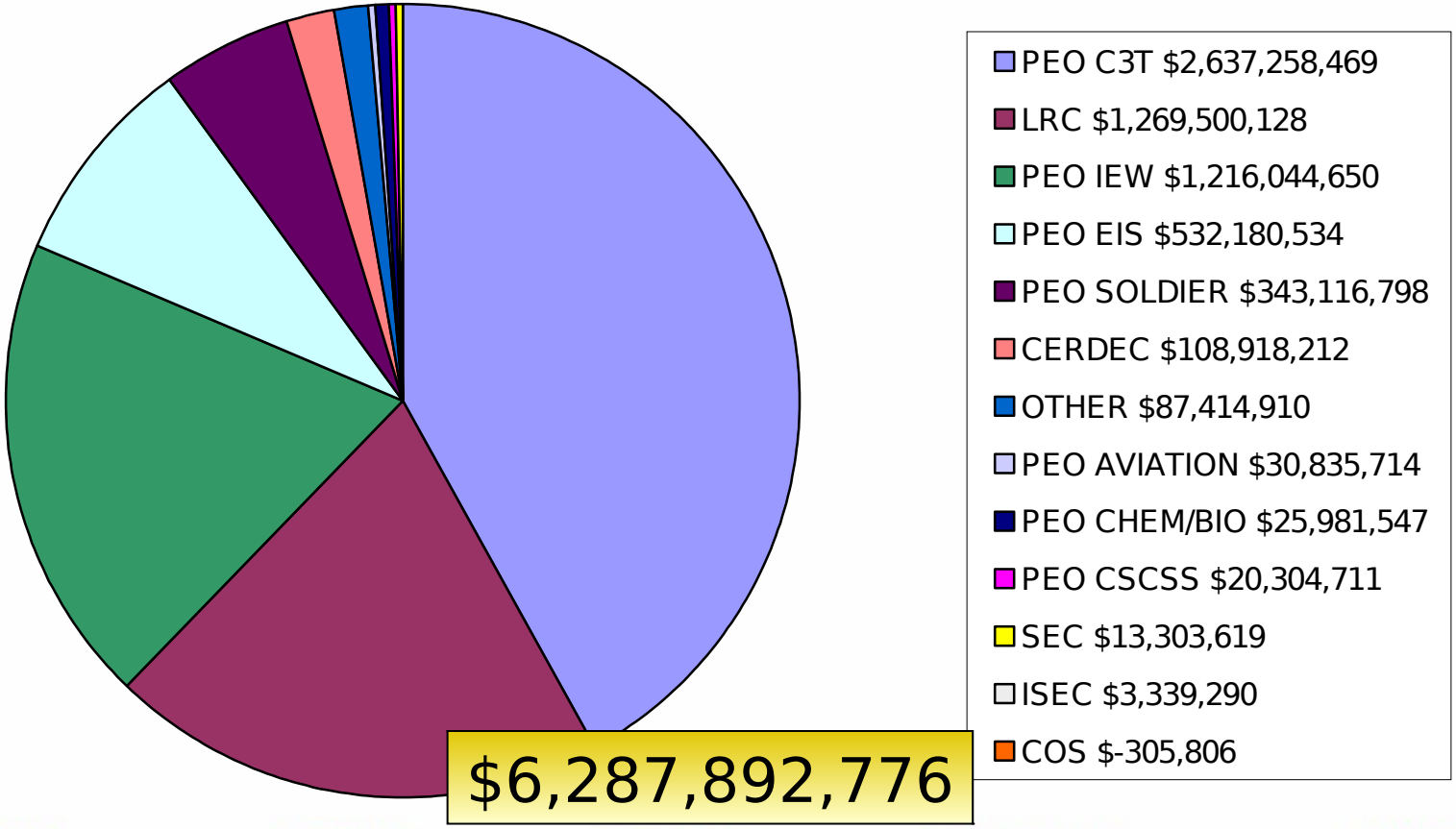
(Includes Ft. Monmouth, Base Ops, CAC-S & CAC-W)



$1,435,240,201

FY 06 OBLIGATIONS FOR WEAPONS SYSTEMS & SUSTAINMENT PARTS (BY MANAGER)

(Includes Ft. Monmouth, Base Ops, CAC-S & CAC-W)



$6,287,892,776

Top 10 Large Businesses FY 2006

(Includes Ft. Monmouth, Base Ops, CAC-S & CAC-W

CONTRACTOR	DOLLARS	ACTIONS
ITT	$846,958,729	115
GENERAL DYNAMICS	$661,550,529	455
NORTHROP GRUMMAN	$617,187,592	267
LOCKHEED MARTIN	$513,943,179	487
BAE	$488,520,118	115
RAYTHEON	$439,333,476	255
HARRIS	$435,214,703	108
COMPUTER SCIENCES	$428,978,361	402
DRS	$382,809,961	58
ARINC	$345,774,025	367

Top 10 Small Businesses FY 2006

(Includes Ft. Monmouth, Base Ops, CAC-S & CAC-W

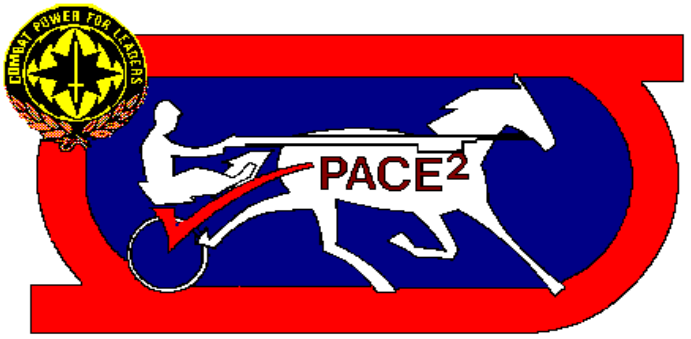
CONTRACTOR	DOLLARS	ACTIONS
TAMSCO	$354,717,795	159
DATAPATH	$330,210,963	104
GALAXY SCIENTIFIC CORPORATION	$68,581,013	109
ENGINEERING SOLUTIONS & PRODUCTS	$50,975,451	33
GLOBAL SATCOM TECHNOLOGY, INC.	$48,940,500	7
E-OIR	$47,908,019	188
SIERRA NEVADA CORPORATION	$42,588,832	5
FIBERTEK, INC.	$28,661,797	66
TAPESTRY SOLUTIONS, INC.	$27,494,188	9
CHENEGA	$23,787,108	8

OPPORTUNITIES

- TITLE:
- CONTRACT TYPE:
- ESTIMATED VALUE: $
- KEY MILESTONES
  - ISSUE RFP:
  - FORECAST AWARD:
- TECHNICAL CONTACT: NAME, PHONE NUMBER
- ACQUISITION CONTACT: NAME, PHONE NUMBER
- SOLICITATION #:

Acquisition Center
Our Ingredients To Success

PROACTIVE
APPROACH TO
CONTRACTING
EXCELLENCE



THROUGH

PEOPLE
AUTOMATION
CONTINUOUS PROCESS
IMPROVEMENT
EDUCATION